

PACT Legislative Update

HB361 – introduced by Rep. Ford on 2/21
SB371 – introduced by Sen. Bedford on 2/28

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Neither bill made it out of committee after its first reading.

Synopsis: Current law provides for appropriations to be made from the Education Trust Fund in future years to the PACT Trust Fund for the purpose of fully funding the PACT Program, the terms of which were amended in Act 2010-725.

This bill will provide that in any year in which the PACT Program is unable to meet the financial obligations mandated in Act 2010-725, an amount sufficient to off-set such shortfall shall be transferred to the PACT Program from any funds designated to be deposited into the Budget Stabilization Fund under the Code of Alabama 1975, Section 29-9-4.

HB181 – introduced by Rep. Ford on 2/07

Bill did not make it out of committee after its first reading.

Synopsis: This bill would repeal the limit on the cost of tuition for certain PACT plan contract participants.

This bill would define the term tuition and mandatory fees for the PACT program, to be the same rate of the current semester the student is enrolled, thereby tying PACT program payments to fluctuation in tuition and fees expenses.

This bill would extend tuition caps to all colleges and universities in the state.

This bill would require all public institutions to limit annual increases in fees to the average percentage amount such fees were increased over the past 10 years.

This bill would restore the state's commitment to pay all benefits promised to program participants. PACT investments would be limited to no more than 60 percent equity investments.

HB603 – introduced by Rep. Love on 3/22
SB452 – introduced by Sen. Pittman on 3/22

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HB603 Passed in the House on 4/05 with final passage in the Senate on 4/12.

Synopsis: Relating to the Prepaid Affordable College Tuition (PACT) Program, to amend Sections 16-33C-16 and 16-33C-20 of the Code of Alabama 1975, retroactive to their date of enactment; to add Section 16-33C-23 to the Code of Alabama 1975; to repeal Section 16-33C-17 of the Code of Alabama 1975, retroactive to its date of enactment; to provide that payments of tuition and mandatory fees by the PACT Program to instate public institutions of higher education between the effective date of Act 2010-725 and the effective date hereof shall be deemed full payment; to repeal Section 16-33C-19 of the Code of Alabama 1975, retroactive to its date of enactment; and to expressly grant the PACT Board all necessary authority to pursue solutions to any actuarial deficit in the PACT Trust Fund.